

103^D CONGRESS
2^D SESSION

H. R. 4895

To provide for the tax treatment of income and transactions relating to the Catawba Indian Tribe of South Carolina Land Claims Settlement Act of 1993.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 3, 1994

Mr. SPRATT introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To provide for the tax treatment of income and transactions relating to the Catawba Indian Tribe of South Carolina Land Claims Settlement Act of 1993.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. TAX TREATMENT REGARDING THE CATAWBA**
4 **INDIAN TRIBE OF SOUTH CAROLINA LAND**
5 **CLAIMS SETTLEMENT ACT OF 1993.**

6 Section 16 of the Catawba Indian Tribe of South
7 Carolina Land Claims Settlement Act of 1993 (107 Stat.
8 1137) is amended to read as follows:

1 **“SEC. 16. TAX TREATMENT OF INCOME AND TRANS-**
2 **ACTIONS.**

3 “(a) IN GENERAL.—Subject to the provisions of sub-
4 section (b) and notwithstanding any provision of the State
5 Act, the Settlement Agreement, or this Act (including any
6 amendment made under section 15(f)), nothing in this
7 Act, the State Act, or the Settlement Agreement—

8 “(1) shall amend or alter the Internal Revenue
9 Code of 1986, as amended, or any rules or regula-
10 tions promulgated thereunder, or

11 “(2) shall affect the treatment under such Code
12 of any person or transaction other than by reason of
13 the restoration of the trust relationship between the
14 United States and the Tribe.

15 “(b) EXCEPTIONS.—

16 “(1) PRIVATE FUNDS.—Any private payments
17 made to settle claims under this Act may be treated,
18 at the election of the taxpayer, as either a payment
19 in settlement of litigation or a charitable contribu-
20 tion for Federal income tax purposes.

21 “(2) LAND CONVEYANCES.—Any conveyance of
22 land under section 14 of this Act by a private land
23 owner to the Secretary for the Expanded Reserva-
24 tion shall be deemed to be an involuntary conversion
25 within the meaning of section 1033 of the Internal
26 Revenue Code of 1986.

1 “(3) PER CAPITA PAYMENTS.—No funds dis-
2 tributed per capita pursuant to section 11(h) of this
3 Act shall be subject at the time of distribution to
4 Federal, State, and local income taxes; however, in-
5 come subsequently earned on shares distributed to
6 Members shall be subject to the same Federal in-
7 come taxes as other persons in the State of South
8 Carolina would pay.

9 “(4) INCOME FROM SALE OF ARTIFACTS.—In-
10 come earned by Members from the sale of Catawba
11 Indian pottery and artifacts, whether on or off the
12 Reservation, which are made by Members, shall be
13 exempt from Federal income taxes.

14 “(5) ESTATE TAXES.—Members shall be liable
15 for payment for all estate and inheritance taxes, ex-
16 cept, however, that the undistributed share of any
17 member in the Catawba Per Capita Payment Trust
18 Fund shall be exempt from Federal estate and in-
19 heritance taxes.”.

20 **SEC. 2. EFFECTIVE DATE.**

21 The amendment made by section 1 shall take effect
22 as of October 27, 1993.

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